

VZCZCXR05151

RR RUEHAST RUEHHM RUEHLN RUEHMA RUEHPB RUEHPOD RUEHTM  
DE RUEHBR #0877/01 1791459

ZNR UUUUU ZZH

R 271459Z JUN 08

FM AMEMBASSY BRASILIA

TO RUEHC/SECSTATE WASHDC 1973

INFO RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE

RUEHDS/AMEMBASSY ADDIS ABABA 0299

RUEHAM/AMEMBASSY AMMAN 0318

RUEHBK/AMEMBASSY BANGKOK 0474

RUEHUP/AMEMBASSY BUDAPEST 0292

RUEHCP/AMEMBASSY COPENHAGEN 0336

RUEHOR/AMEMBASSY GABORONE 0295

RUEHKT/AMEMBASSY KATHMANDU 0301

RUEHLC/AMEMBASSY LIBREVILLE 0302

RUEHSJ/AMEMBASSY SAN JOSE 0822

RUEHSV/AMEMBASSY SUVA 0281

RUEHNE/AMEMBASSY NEW DELHI 0517

RUEHBU/AMEMBASSY BUENOS AIRES 5632

RUEHSG/AMEMBASSY SANTIAGO 0425

RUEHLP/AMEMBASSY LA PAZ 6330

RUEHPE/AMEMBASSY LIMA 3855

RUEHQI/AMEMBASSY QUITO 2513

RUEHBO/AMEMBASSY BOGOTA 4622

RUEHAC/AMEMBASSY ASUNCION 6907

RUEHGE/AMEMBASSY GEORGETOWN 1512

RUEHMN/AMEMBASSY MONTEVIDEO 7422

RUEHPO/AMEMBASSY PARAMARIBO 1566

RUEHCV/AMEMBASSY CARACAS 4147

RUEHRG/AMCONSUL RECIFE 8196

RUEHSO/AMCONSUL SAO PAULO 2314

RUEHRI/AMCONSUL RIO DE JANEIRO 6324

RUEATRS/DEPT OF TREASURY WASHDC

RHEBAAA/DOE WASHDC

RUEHC/DOI WASHDC

RUEAWJA/DOJ WASHDC

RUEAEPA/HQ EPA WASHDC

RUEANAT/NASA HO WASHDC

RUCPDC/NOAA WASHDC

RUMIAAA/USCINCSO MIAMI FL

RUEHRC/USDA WASHDC

RUCPDOC/USDOC WASHDC

UNCLAS SECTION 01 OF 17 BRASILIA 000877

SIPDIS

DEPT PASS USAID TO LAC/RSD, LAC/SAM, G/ENV, PPC/ENV

TREASURY FOR USED IBRD AND IDB AND INTL/MDB

USDA FOR FOREST SERVICE: LIZ MAHEW

INTERIOR FOR DIR INT AFFAIRS: K WASHBURN

INTERIOR FOR FWS: TOM RILEY

INTERIOR FOR NPS: JONATHAN PUTNAM

INTERIOR PASS USGS FOR INTERNATIONAL: J WEAVER

JUSTICE FOR ENVIRONMENT AND NATURAL RESOURCES: JWEBB

EPA FOR INTERNATIONAL: CAM HILL-MACON

USDA FOR ARS/INTERNATIONAL RESEARCH: G FLANLEY

NSF FOR INTERNATIONAL: HAROLD STOLBERG

E.O. 12958: N/A

TAGS: SENV EAGR EAID TBIO ECON SOCI XR BR

SUBJECT: SOUTH AMERICA ESTH NEWS, NUMBER 110

BRASILIA 00000877 001.2 OF 017

¶1. The following is the one-hundred-tenth in a series of newsletters, published by the Brasilia Regional Environmental Hub, covering environment, science and technology, and health news in South America. The information below was gathered from news sources from across the region, and the views expressed do not necessarily reflect those of the Hub office or our constituent posts. Addressees who would like to receive a user-friendly email version of this newsletter should contact Larissa Stoner at stonerla@state.gov. The e-mail version also contains a calendar of upcoming ESTH events in the region. NOTE: THE NEWSLETTER IS NOW ALSO AVAILABLE ON THE BRASILIA INTRANET PAGE, BY CLICKING ON THE

'HUB' LINK.

## 12. Table of Contents

### Agriculture

- (3)Stakeholder Group Mulls 'Responsible Soy'
- (4)Brazil Extends Amazon Soy Ban

### Health

- (5)South-South Cooperation to Fight Child Malnutrition

### Forests

- (6)Brazil Slaps Millions in Environmental Fines on Steel Companies
- (7)Brazil Police Arrest Loggers in Amazon Reserve
- (8)Brazil to Set Up Amazon Protection Fund
- (9)Brazil Environment Agency Seizes Amazon Soy, Corn
- (10)Colombian Drug Cartels Blamed For the Destruction of Rainforest
- (11)Brazil Announces Plan for Sustainable Amazon Development

### Fishing & Marine Conservation

- (12)Guyana Gets Go-Ahead for the Import of Shrimp

### Protected Areas

- (13)Colombia to Add More Land to Its National Park System
- (14)Oil and Gas Exploration Plans Rile Argentina's Tourist Destinations

### Science & Technology

- (15)Brazil Biotech 'Held Back' By Regulatory Barriers

BRASILIA 00000877 002.2 OF 017

- (16)Lula Tries To Build South American Antarctic Research Program

### Climate Change

- (17)Scientists Probe Chile's Coast for Climate Change Factors
- (18)Brazil's Amazon Conservation Efforts worth \$100 Billion

### Pollution

- (19)Brazilian Court Ruling Targets Impact Fees

### Waste Management & Recycling

- (20)Argentina Approves Recycled Plastic for Food Containers

### Mining & Other Extractive Industries

- (21)Venezuela Halts Two Gold Mining Projects
- (22)Guyana, Brazil to Work Closer On Conflict Diamonds
- (23)World Wildlife Fund Guyana Pushing Safer Mining Practices

### Energy

- (24)Chile to Build Eco-Friendly Dams
- (25)Sugar Cane Surpasses Hydroelectric Dams in Brazil Energy Complex
- (26)Editorial: Challenges of Installing Wind Power in Chile

### General

- (27)Scientists Monitor Eruption's Fallout in Chile
- (28)Chile Enviro Groups Give Bachelet Lukewarm Review

-----  
Agriculture  
-----

## 13. Stakeholder Group Mulls 'Responsible Soy'

May 2008 - Can agricultural standards be developed voluntarily that would make South America's boom in soy cultivation environmentally sustainable? A multi-stakeholder group including representatives of agribusiness, environmental organizations, the banking industry and academia convened in Buenos Aires last month on the theory that such an initiative might be possible. "Until recently we thought productivity was not compatible with sustainability," Gustavo Grobocopatel, a leading Argentine soy producer, said at the April 23-24 meeting, called The Round Table Conference on Responsible Soy.

"We discovered the opposite is true." South America has played a large part in the expansion of world soy production. Brazil, Argentina, Paraguay and Bolivia alone account for more than half of the world's soy crop, with production in each of these countries increasing at a rate of 10% annually.

Source - EcoAmericas (please contact Larissa Stoner for complete article)

#### 14. Brazil Extends Amazon Soy Ban

June 17, 2008 - Grain crushers have extended a two-year-old moratorium on the purchase of soybeans planted in areas of the Amazon rain forest cut down after 2006. Brazil's environment minister Carlos Minc made the announcement together with the Brazilian Vegetable Oils Industry Association, a soy industry group, as part of a larger effort to regulate land use in the world's largest remaining tropical wilderness. The original ban began July 31, 2006, and was scheduled to end on July 31 of this year. It will now remain in effect until July 23, 2009. Minc told reporters in Brazil's capital that he would work to fashion similar agreements with loggers, slaughterhouses, and steel mills in the Amazon. The current moratorium seems to be preventing additional rain forest destruction in the name of soy expansion: A study conducted by Greenpeace and the oils industry association concludes that no new soybean plantations were detected in any of the 193 areas that registered deforestation (250 acres or more) during the first year of the moratorium.

Source - Miami Herald

-----  
Health  
-----

#### 15. South-South Cooperation to Fight Child Malnutrition

May 7, 2008 - Cooperation between Latin American countries, which is "cheap, efficient and horizontal", could fast-track the fight against child malnutrition, said Nils Kastberg, the regional director of the United Nations Children's Fund (UNICEF), at a conference held in Santiago, Chile. Kastberg called on Latin

BRASILIA 00000877 004.2 OF 017

American and Caribbean countries to commemorate the 200th anniversary of their independence from Spain in 2010 with a specific goal in mind: ensuring that no child is undernourished. In his view, the challenge could be achieved with political will and a pan-American spirit, by harnessing South-South cooperation. He said indigenous communities and migrants are two of the most vulnerable populations that could benefit from South-South cooperation on child malnutrition. There have already been experiences of cross-border cooperation, where immigrants are covered by the health system, even when their status is irregular and of training courses for customs personnel. South-South cooperation is a goldmine the region has not yet learned to exploit. A continent-wide strategy needs to be developed," said Cristina Lazo, executive director of the Chilean Agency for International Cooperation (AGCI).

Source - IPS News

-----  
Forests  
-----

#### 16. Brazil Slaps Millions in Environmental Fines on Steel Companies

June 13, 2008 - Brazil is imposing US\$250 million in fines on steel companies caught using charcoal made from illegally logged forests. Carlos Minc, the environment minister, said 60 steel companies in three states face 414 million reals (US\$250 million) in fines and must replant about 27,181 acres (11,000 hectares) of forest for using the illegal coal. He said charcoal companies would be fined a

total of 70 million reals (US\$43 million). Brazil has very few coal mines and demand for wood-based charcoal for use in steel mills is a major driver of deforestation in the Amazon and other regions. In this case, the illegal charcoal came from the Cerrado, a savanna-like ecosystem that occupies much of central Brazil, and the Pantanal, a huge wetland that extends into Bolivia and Paraguay.

Source -GMA News

#### 17. Brazil Police Arrest Loggers in Amazon Reserve

May 29, 2008 - Brazilian federal police arrested at least 40 members of an illegal logging operation in an Amazon tribal Indian

BRASILIA 00000877 005.2 OF 017

reservation amid growing concern over destruction of the world's largest rain forest. The operation cleared the equivalent of 70,000 football fields of virgin forest in the Vale do Guapore Indian reserve in Mato Grosso state, the federal police said in a statement. Among those arrested were loggers, highway and military police officers, neighboring farmers, and state civil servants. The loggers bribed officials of the government's Indian foundation Funai and befriended Indians with gifts such as cars, motorcycles and chain saws, a Mato Grosso police spokeswoman told Reuters.

Source - Reuters

#### 18. Brazil to Set Up Amazon Protection Fund

May 29, 2008 - Brazil's state-run development bank will set up an international donations fund for the preservation of the Amazon as the country fends off criticism for not doing enough to preserve its rain forest. Luciano Coutinho, president of the National Economic and Social Development Bank (BNDES), told reporters the first contribution was already being negotiated with the Norwegian government and could be up to \$200 million. The BNDES, which has the Environment Ministry's mandate to manage the fund, already has credit lines to help companies that respect the Kyoto protocol on greenhouse gas emissions and protect the environment. Brazilian President Luiz Inacio Lula da Silva has dismissed foreign concern over Amazon preservation on several occasions in the past few days after the resignation of Environment Minister Marina Silva. He said countries that had already chopped down their forests and were among the worst polluters should not be giving Brazil environmental advice or talking about the Amazon as if it belonged to the world.

Source - Reuters

#### 19. Brazil Environment Agency Seizes Amazon Soy, Corn

May 21, 2008 - Brazil's environmental agency Ibama seized some 4,740 tons of soy, corn and rice grown on illegally deforested land in the Amazon, as the country struggles with its environmental image abroad. Very little of Brazil's production of grains and biofuels occurs anywhere near the Amazon, but the price of beef has risen to levels that make ranching in the Amazon profitable. Loggers, shadowy real estate companies, and squatters account for most of the

BRASILIA 00000877 006.2 OF 017

illegal deforestation in the region. With the recent seizure, IBAMA agents took over the fields of a farm in the southeast of Para state. Although the owner of 500 hectares (1,235 acres) in the town of Dom Eliseu had previously been fined for illegal deforestation, a second inspection showed crops were planted there. The owner was fined an additional 8 million reais (\$4.8 million). The fields that are beginning to harvest contain 1,740 tons of soy, 2,640 tons of corn and 360 tons of rice. The owner has 20 days to present his appeal in defense against the fine. The seized soy, corn and rice may go toward the government's Zero Hunger program that subsidizes food for Brazil's poor.

Source - Reuters

#### 10. Colombian Drug Cartels Blamed For the Destruction of Rainforest

May 23, 2008 - Drug cultivation is the biggest cause of deforestation in Colombia with 741,000 acres of rainforest cleared every year, the country's vice-president has said. So far, Colombia's coca producers have destroyed 5.5 million acres of rainforest with slash and burn cultivation. About half a ton of pesticides, fertilizers, sulphuric acid and other chemicals are then used to turn every acre of coca into pure cocaine. Francisco Santos Calderon, the vice-president of Colombia, stated that the environmental "devastation" caused by drug producers had gone largely unnoticed. Colombia's controversial, US-funded policy of eradicating coca fields is also inflicting immense environmental damage. Last year, the authorities destroyed about 400,000 acres, mostly with indiscriminate aerial spraying. Colombia's peasant farmers grow coca alongside normal food crops. Aerial spraying destroys everything, forcing them to move to new land and clear more forest.

Source - The Daily Telegraph

#### ¶11. Brazil Announces Plan for Sustainable Amazon Development

May 9, 2008 - Brazil's government unveiled new eco-friendly development plans for the Amazon rain forest, including low-cost loans to farmers and emergency measures to combat illegal logging. The Sustainable Amazon Plan will grant farmers 1 billion real (US\$600 million) loans at 4 percent annual interest, well below the

BRASILIA 00000877 007.2 OF 017

country's benchmark 11.75 percent rate, to adopt eco-friendly farming methods and encourage reforestation. In a bid to reconcile economic development with conservation, the government is also offering food, social security and unemployment benefits to 40,000 families once involved in logging, as it develops other programs to help them find new sources of income. The plan also aims to improve Amazon highways and river transport, expand ports and broaden access to electricity. NOTE: Long-term Planning Minister Mangabeira Unger was given the lead of this program, causing discomfort between President Lula and Environment Minister Marina Silva and eventually leading to her resignation. END NOTE.

Source - Associated Press

-----  
Fishing & Marine Conservation  
-----

#### ¶12. Guyana Gets Go-Ahead for the Export of Shrimp

June 05, 2008 - Over the past decade and one half, Guyana has been witnessing a thriving shrimp industry. The success of the shrimp industry has called for several important measures to be taken before the Seabob variety of shrimp could be exported to the United States. In an attempt to save and protect sea turtles, it has become mandatory for shrimp trawlers to install The Turtle Extractor Device (TED), on their shrimp nets. This device is a safety mechanism that prevents the turtles from being trapped in the shrimp nets. Because of the importance of the Seabob market in the United States, the Guyana Fisheries Department, Ministry of Agriculture and the Guyana Association of Private Trawler Owners and Seafood Processors, have been constantly monitoring the wharves where the trawlers off-load their catch. This constant and increased monitoring by competent authorities in Guyana has achieved positive results for the country's fishing industry, resulting in Guyana's re-certification for shrimp exportation to the United States of America as of May 1, 2008.

Source -Guyana Chronicle

-----  
Protected Areas  
-----

BRASILIA 00000877 008.2 OF 017

-----

### ¶13. Colombia to Add More Land to Its National Park System

May 2008 - Hoping to curb problems including illegal logging and mining, Colombia gave itself an Earth Day gift, announcing it would create 11 national parks and expand five existing ones. Juan Lozano, Colombia's minister of the environment, housing, and territorial development, says the move will add 370,000 acres (150,000 hectares) to the nation's 28.2-million-acre (11.4-million-ha) park system and help "guarantee the environmental sustainability of the nation". By the end of 2009, new parks will be designated in locations including Portete Bay on the Caribbean; the paramos of the Pinche mountains in southwest Colombia; and in the Pacific Coast's Malaga Bay, the world's principal breeding and calving ground for humpback whales (*Megaptera novaeangliae*). Among the five parks to be expanded are two on the Caribbean-Isla de Salamanca, a Ramsar site, and Sierra Nevada de Santa Marta, a Unesco World Heritage site that includes the world's highest coastal range. Environmentalists call the decision long overdue, citing the damage being done to Colombian ecosystems by logging, mining, and the voracious expansion of the agricultural frontier.

Source - EcoAmericas (please contact Larissa Stoner for complete article)

### ¶14. Oil and Gas Exploration Plans Rile Argentina's Tourist Destinations

May 2008 - A government call for bids on oil and gas exploration near Argentina's oldest national park has touched off debate in Bariloche, one of the country's foremost tourist destinations. At issue is a decision by the government of Rio Negro, the Patagonian province where Bariloche is located, to include the 4,000-square-mile (10,000-sq-km) Niriuhau basin among the last of a total of 18 oil and gas concessions it has leased since early 2006. The province has been looking to attract exploration projects amid a decline in Argentine oil and gas reserves that has generated fears of domestic energy shortages. The effort has not gone down well in the Andean mountain city of Bariloche, where concerns about the effects of energy projects on the environment and the tourism industry run strong. A portion of the proposed concession area

BRASILIA 00000877 009.2 OF 017

comes within three miles (five kms) of the 1.7-million-acre (700,000-ha) Nahuel Huapi National Park, which was created in 1934, and lies 16 miles (25 kms) from Bariloche. All five of the principal candidates in Bariloche's mayoral campaign opposed the oil and gas exploration, pledging that, if elected, they would ask the province to cancel it.

Source - EcoAmericas (please contact Larissa Stoner for complete article)

-----  
Science & Technology  
-----

### ¶15. Brazil Biotech 'Held Back' By Regulatory Barriers

June 9, 2008 - Brazil has the "building blocks" for an innovative health biotechnology sector, but is held back by regulatory barriers and poor coordination between the public and private sectors, say the authors of a new study. The authors, from the McLaughlin-Rotman Centre for Global Health (MRC), based at the University Health Network and the University of Toronto, Canada, used case studies from 19 domestically-owned private biotechnology companies and four public sector research institutions to draw their conclusions, published last week in the June issue of *Nature Biotechnology*. Development of products like vaccines, medicines, and diagnostic kits has made considerable progress in Brazilian companies in recent years, the authors found. Products have been developed to deal with local health problems that are often ignored by larger international pharmaceutical companies (e.g., malaria, Chagas disease, and dengue fever). But barriers remain, say the authors. For example, it can take seven years to process patent applications, and there are often long delays in the ethics approval process for clinical trials.

Source - SciDev

116. Lula Tries To Build South American Antarctic Research Program

May 12, 2008 - Representatives of Brazil and six other South American nations met in Rio de Janeiro to discuss a joint strategy to pool resources for research in Antarctica. According to Brazilian Science and Technology Minister Sergio Rezende, the

BRASILIA 00000877 010.2 OF 017

meeting aims to "measure the needs" of South American scientists to organize a multilateral science program in the South Pole. The other six countries which participated in the meeting are Argentina, Chile, Peru, Uruguay, Venezuela and Ecuador.

Source - Folha de Sao Paulo

-----  
Climate Change  
-----

117. Scientists Probe Chile's Coast for Climate Change Factors

June 18, 2008 - An international team of scientists began delving into the mysteries of Chile's coastal waters, hoping to unlock the secrets of the deep - particularly as they might relate to global climate change. Experts from some of the world's leading research universities headed out from the Region II city of Iquique aboard the research vessel Armada Vidal Gormaz. The 10-day oceanographic cruise is serving as the base for pioneering research in "oxygen minimum zones" found only off the coasts of northern Chile and southern Peru. These masses of water with extremely low oxygen content - and with the microorganisms that inhabit them - could serve as a crystal ball for what some ocean waters could be like in a warmer world.

Source - Santiago Times

118. Brazil's Amazon Conservation Efforts worth \$100 Billion

May 29, 2008 - A plan to protect large expanses of the Amazon rainforest could reduce carbon emissions by 1.1 billion tons by 2050, according to a study presented in Bonn, Germany at the UN Convention on Biological Diversity. Assessing the carbon stored in forests protected under the Brazil's Amazon Region Protected Areas Program (ARPA) -- a program created in 2003 that seeks to preserve some 40 million hectares of Amazon rainforest by 2012 -- researchers at the Federal University of Minas Gerais in Brazil and the Woods Hole Research Center in Massachusetts estimate that areas protected by the initiative hold some 4.6 billion tons of carbon. Forecasting the expected forest loss if the designated areas were not protected, the researchers calculate that the program will avoid some 1.1

BRASILIA 00000877 011.2 OF 017

billion tons of carbon emissions. By some estimates, including the British government's Stern Review, the emissions reductions could be worth more than 100 billion dollars. The Stern Review's estimates calculated the long-term cost of one ton of carbon dioxide at \$312 per ton of carbon (using present value of \$85 per ton).

Source - Mongabay

-----  
Pollution  
-----

119. Brazilian Court Ruling Targets Impact Fees

May 2008 - Four years ago, Brazil's leading business lobby - the National Industrial Confederation (CNI) - asked the country's Supreme Court to overturn a 2000 law establishing environmental impact fees for industrial projects, levies that promised to become a significant source of conservation funding in Brazil. In April

2008 however, the Supreme Court ruled the case and removed parts of the statute. Most importantly, it ruled that government authorities cannot-as has been their practice-fix a minimum impact fee based on 0.5% of a project's initial investment, saying this unfairly penalizes companies that spend on pollution control. The high court said impact fees are allowable if calculated according to each project's expected environmental impacts. Analysts agree that this could mean delays in the licensing of industrial projects since the government must complete and implement a methodology for such calculations. And once the methodology is in place, they say, it's possible impact fees might wind up higher than they would have been under the system of minimum charges used initially.

Source - EcoAmericas (please contact Larissa Stoner for complete article)

-----  
Waste Management & Recycling  
-----

**¶20. Argentina Approves Recycled Plastic for Food Containers**

May 05, 2008 - Argentina's National Industrial Technology Institute

BRASILIA 00000877 012.2 OF 017

(INTI) has approved a technique for manufacturing food containers from recycled plastic bottles. The institute advised the Ministry of Health in adapting an internationally accepted technology that has never been used in Argentina, INTI engineer Alejandro Ariosti told Tierramerica. Now, plastic containers that have been thrown out will be sanitized, melted, and sold to be mixed with "virgin" materials to manufacture new containers for food and beverages. In Argentina, bottles from soft drinks and cooking oils made with polyethylene terephthalate (PET) were rendered and used to make textiles, but only now has its safety for re-use as food containers been proved.

Source - Tierramerica

-----  
Mining & Other Extractive Industries  
-----

**¶21. Venezuela Halts Two Gold Mining Projects**

May 2008 - Citing concerns about the environment, small miners, and Indian tribes, Venezuela's Environment and Natural Resources Ministry on April 30 blocked two large North American gold-mining projects in the mineral-rich Imataca Forest Reserve near the border with Guyana. The measure cheered green advocates fearing cyanide contamination in the 9.4-million-acre (3.8-million-ha) Imataca Reserve, home to five Indian groups and half a dozen important rivers. But it irked the mining companies, Canada's Crystalllex International and Gold Reserve of the United States, which between them expected to tap gold deposits totaling nearly 25 million ounces. The conflict between the two mining companies and the Venezuelan government reflects the troubled history of the Imataca Reserve, with its deposits of gold, diamonds, and copper, and its tropical-forest habitat for jaguars, anteaters, and nearly 500 species of birds. Contradicting his presidential campaign promises, President Hugo Chavez in 2004 opened 12% of the reserve to mining and another 60% to logging to attract foreign investment. But Indians and other locals who worked as small scale miners protested that they were being pushed out by multinationals. Protests erupted in 2005, when local miners claimed to have been violently evicted from the Crystalllex concession. In 2005, President Chvez reversed course, announcing he would favor small-scale mining cooperatives

BRASILIA 00000877 013.2 OF 017

over private companies in granting concessions and would give them technical assistance to reduce pollution. Last month, he took that decision to its seemingly logical extreme, stripping the two North American companies of mining rights they believed they already had won.

Source - EcoAmericas (please contact Larissa Stoner for complete article)

#### 122. World Wildlife Fund Guyana Pushing Safer Mining Practices

June 06, 2008 - Even as Guyana's gold mining sector continues to attract criticism from environmentalists and host nation lobbyists over mining practices considered harmful to the human and physical environment, the World Wildlife Fund (WWF) Secretariat in Guyana says that it will continue to collaborate with the Guyana Geology and Mines Commission (GGMC), the Guyana Gold and Diamond Miners Association (GGDMA), the local gold-miners, lobby groups, and mining communities to help move the industry towards more sustainable mining practices. Last April WWF met with local miners to sensitize them to the impact of mining on the ecosystems, to provide information on problems facing the mining comQy, and to work collaboratively to develop improved mining practices. WWF is also involved in environmental impact monitoring to determine the effects of mining on the environment. "We do a fair amount of monitoring of the environment to determine mercury use, suspended solids concentrations, and water quality", said WWF representative Rickford Vieira. Meanwhile, the WWF will shortly be providing the Guyana Gold and Diamond Miners Association (GGDMA) with a US\$30,000 grant to secure the services of a consultant to train miners in how to develop tailings facilities to contain mining waste in order to prevent the contamination of streams used by the communities for domestic purposes.

Source - Starbroeknews

#### 123. Guyana, Brazil to Work Closer On Conflict Diamonds

JUNE 06, 2008 - Guyana Prime Minister Samuel Hinds and Acting Commissioner of the Guyana Geology and Mines Commission (GGMC) William Woolford met recently with Brazil's Deputy Minister of Mines and Energy Claudio Seliar to discuss the ongoing commitment of the

BRASILIA 00000877 014.2 OF 017

two countries to controlling the international trade in conflict diamonds. Guyana and Brazil are signatories to the Kimberley Process, a regulatory system backed by the United Nations which seeks to track the international production and movement of diamonds. The Process stipulates that freshly mined diamonds should be sealed in registered containers that certify their country of origin and that diamond exporters do not accept unregistered gems that might profit insurgents or criminals.

Source - Stabroek News

-----  
Energy  
-----

#### 124. Chile to Build Eco-Friendly Dams

May 28, 2008 - Chilean energy company Colbun, in partnership with Fondo Independencia, plans to build five small-scale hydroelectric dams over the next two years, with two completed in 2008. Slated for Regions VII and VIII, the so-called run-of-the-river dams will have a generating capacity of between 10 and 15 MW each. Together they are expected to cost some US\$40 million. Colbun and Fondo Independencia agreed last year to spend US\$100 million on non-conventional renewable energy projects. The partners plan to construct three more slightly larger dams next year. Colbun is one of Chile's major energy producers. It is currently at the center of a major controversy over its plans - together with Spanish-Italian electricity giant Endesa - to build five massive hydroelectric dams in far southern Chile's Aysen region.

Source - Santiago Times

#### 125. Sugar Cane Surpasses Hydroelectric Dams in Brazil Energy Complex

May 8, 2008 - In 2007, sugar cane and cane-based ethanol became more

important energy sources than hydroelectric power plants in Brazil's overall energy complex, topped only by petroleum and oil products. The government's energy planning agency EPE said sugar cane had a 16 percent share in the country's so-called energy matrix -- a combination of all sources of energy including fuels and electricity

BRASILIA 00000877 015.2 OF 017

- while power dams were left behind with a 14.7 percent share. Oil and derivatives had a 36.7 percent weighting, dropping from 37.8 percent in 2006. EPE President Mauricio Tolmasquim attributed the growing role of sugar cane to booming demand for ethanol as a motor fuel, but expected more cane and ethanol to be used for electricity generation as well. In February 2007, the consumption of ethanol surpassed that of gasoline for the first time in two decades. The trend is driven by a drop in ethanol prices and huge sales of flex-fuel cars that can run on ethanol, gasoline, or any mix of the two.

Source - The New York Times

#### 126. Editorial: Challenges of Installing Wind Power in Chile

April 30, 2008 - Lately, wind powered energy has been on the minds of many in Chile. Dozens of projects involving this type of energy production are presently being discussed and planned throughout the country. Experts speculate that such projects could contribute 400 MW to the Central Interconnected System (SIC) of national electricity. However, developing wind powered energy projects is not as easy as it may seem, as there are many technical and market conflicts that must be resolved before renewable energy can unfold in Chile. First of all, it is necessary to clarify that an optimal site for wind power (approximately 50 windmills that would contribute 75 MW of power) would in reality only contribute an average of about 30 percent of its potential to the system. This means that the remaining 70 percent of the time, the windmills would be inactive due to lack of wind or an excess of wind. Another problem that wind powered energy projects face is land speculation for property suitable for wind installations. The third problem these projects face is the precarious land ownership situation that affects Chile's rural sectors. Finally, one of the most important factors to be considered has to do with the distance of the wind power site from the plant where the electricity will be received to connect it with the rest of the electrical system.

Source - Santiago Times

-----  
General  
-----

BRASILIA 00000877 016.2 OF 017

#### 127. Scientists Monitor Eruption's Fallout in Chile

May 2008 - Palena province, home to some of Chile's most spectacular terrain, has literally been under a cloud since the awakening of long-dormant Chaiten volcano. Some experts forecast severe environmental damage on account of the eruption, Chaiten's first in more than 9,000 years. They say a prolonged eruption could take a serious toll on the region's temperate rainforest and cause many other problems, ranging from water contamination to worsening of the ozone hole. Chaiten's eruption began May 2, sending ash nine miles (15 kms) high in the sky. Hardest hit was the nearby town of Chaiten, a community of 7,000 where vegetation, farm animals, and buildings were covered daily in thick, white ash. More than 90 miles (150 kms) from the volcano, Futaleufu, a popular eco-resort town near the river of the same name, was also caked with over 16 inches (40 cms) of ash. Those and other communities in the region were evacuated. Pumalin Park, a sprawling, privately owned nature preserve whose southern border lies just nine miles (15 kms) north of Chaiten, reports minimal damage so far. The eruption has prompted the government to announce it will go ahead with the Carretera Austral, or Southern Highway, through Pumalin Park. Construction is slated to begin in 2011.

Source - EcoAmericas (please contact Larissa Stoner for complete article)

128. Chile Enviro Groups Give Bachelet Lukewarm Review

May 26, 2008 - President Michelle Bachelet's more than two-hour, State of the Nation speech on May 21 received cautious approval from Chile's leading environmentalists. The Santiago-based NGO, Chile Sustentable, applauded Bachelet's announcement that she will soon send bills to Congress calling for the creation of both an Environment Ministry and an Energy Ministry. Other positive signs from the president's speech included her promise to convert Chile into a whale sanctuary, and her strong endorsement of renewable energy sources, particularly solar, according to the environmental group. Chile Sustentable, however, lamented the president's failure to outline concrete plans for tackling the challenge of climate change, protecting the country's rapidly receding glaciers, improving Santiago's notoriously dismal air quality, and for

BRASILIA 00000877 017.2 OF 017

managing Chile's watersheds.

Source - Santiago Times

SOBEL